

Message Text

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ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 IO-14 CU-05 CIAE-00 INR-11

NSAE-00 RSC-01 EA-11 PA-04 USIA-15 TRSE-00 TAR-02

STR-08 L-03 DRC-01 /112 W
----- 112051

R 301420Z AUG 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC 9480

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E.O. 11652: N/A

TAGS: ECRP, SZ

SUBJECT: COMMERCIAL PROGRAM: ENTERTAINMENT MOTION PICTURES -
SWITZERLAND

REF: A-5088; CERP 0574

1. SWISS FILM INDUSTRY HAS SO FAR NEVER PROGRESSED BEYOND THE STAGE OF A COTTAGE CRAFT. IT POSSESSES NO STUDIOS AND THOUGH THE GOVERNMENT OFFERS SOME SUPPORT IN THE FORM OF GRANTS AND AWARDS, THE INDUSTRY IS SADLY UNDER-CAPITALIZED. IT ALSO LACKS A RESERVOIR OF TALENTED ACTORS. DESPITE THE CONSTRAINTS AND INADEQUACIES OF LOCAL CONDITIONS FOUR PROMINENT PRODUCERS HAVE LATELY EMERGED WHO HAVE ACHIEVED INTERNATIONAL REPUTE: ALAIN TANNER, CLAUDE GORETTA, RICHARD DINDO, AND ROMAN HOLLENSTEIN. THEY MIGHT CONCEIVABLY BRING ABOUT A REVIVAL OF THE NEARLY EXTINCT SWISS FILM INDUSTRY. HOWEVER, LITTLE IMPACT NEED BE FEARED EVEN FROM A FLOURISHING DOMESTIC INDUSTRY ON FILM IMPORTS FROM THE U.S., WHICH CONTINUE TO HOLD A DOMINANT POSITION ON THE SWISS MARKET. IN 1973, SWISS FILM COMPANIES PRODUCED 23 35MM FEATURE FILMS, OF WHICH TWO WERE PRODUCED IN COOPERATION WITH FRENCH AND ONE WITH GERMAN COMPANIES. FIVE 16MM FILMS WERE MADE. IN 1972, FIVE 35MM FILMS (TWO WITH FRENCH CO-PRODUCTION) AND SEVEN 16MM FILMS WERE MADE. IN 1971, ONLY

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SIX 35MM FILMS AND NO 16MM FILMS AT ALL WERE MADE. INCIDENTAL-

LY, SUCH AND OTHER FIGURES ON INTERNATIONAL FILM PRODUCTION
ARE AVAILABLE FROM UNESCO STATISTICAL YEARBOOKS.

2. IMPORTS OF FEATURE MOTION PICTURE FILMS BY COUNTRY OF
ORIGIN IN THE PERIOD 1971 TO 1973:

FILM IMPORTS IN 1971

COUNTRY OF ORIGIN	NUMBER OF FILMS	PERCENTAGE SHARE
UNITED STATES	160	35.0
ITALY	80	17.5
FRANCE	75	16.3
WEST GERMANY	71	15.5
BRITAIN	47	10.2
DENMARK	7	1.5
SPAIN	5	1.1
SWEDEN	4	0.9
JAPAN	3	0.5
CANADA	2	0.4
OTHERS	5	1.1
TOTAL	459	100.0

FILM IMPORTS IN 1972

COUNTRY OF ORIGIN	NUMBER OF FILMS	PERCENTAGE SHARE
UNITED STATES	154	34.1
ITALY	91	20.1
FRANCE	73	16.1
WEST GERMANY	66	14.6
BRITAIN	35	7.7
JAPAN	8	1.8
SWEDEN	5	1.1
DENMARK	3	0.7
GREECE	3	0.7
SPAIN	3	0.7
ROMANIA	2	0.4
OTHERS	10	2.0
TOTAL	453	100.0

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FILM IMPORTS IN 1973

COUNTRY OF ORIGIN	NUMBER OF FILMS	PERCENTAGE SHARE
UNITED STATES	168	36.4
FRANCE	91	19.7
ITALY	76	16.5
WEST GERMANY	62	13.5

BRITAIN	22	4.8
HONG KONG	20	4.3
GREECE	5	1.1
SWEDEN	4	0.9
DENMARK	2	0.4
HOLLAND	2	0.4
JAPAN	2	0.4
OTHERS	8	1.6
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TOTAL	462	100.0

3. AT THE END OF JUNE 1974 THERE WERE A TOTAL OF 521 CINEMAS IN SWITZERLAND WITH A SEATING CAPACITY FOR 193,800 PEOPLE. ALL WERE EQUIPPED TO SHOW 35MM FILMS. THE NUMBER OF THEATERS ADDITIONALLY EQUIPPED FOR 16MM FILMS COULD NOT BE DETERMINED, BUT IT IS INSIGNIFICANT.

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4. ANOTHER 23 THEATERS OF THE TOTAL OF 521 ARE EQUIPPED FOR 70 MM FILMS. THEIR NUMBER IS UNLIKELY TO INCREASE.

5. THE FOLLOWING APPROXIMATE ATTENDANCE FIGURES WERE RECORDED: 1971 33 MILLION; 1972 29 MILLION; 1973 27 MILLION.

6. ESTIMATED BOX OFFICE RECEIPTS FOR THE ENTIRE COUNTRY IN 1971: SF 115 MILLION; 1972: SF 130 MILLION; 1973: SF 135 MILLION. ADMISSION TAXES ARE LEVIED BOTH BY

CANTONAL (I.E., STATE) AND MUNICIPAL AUTHORITIES. TAXES ARE LOWEST IN THE CANTONS OF ZUERICH, THURGAU, ST. GALLEN, SHCWYZ, URI, FRIBOURG AND VALAIS, AND HIGHEST IN THE CANTONS OF BASEL AND BERN. THEY RANGE BETWEEN 10 AND 15 PERCENT. MUNICIPAL TAXES, CHARGED IN ADDITION TO THE CANTONAL TAX, VARY GREATLY. SOME ARE LEVIED AT A FLAT, OTHERS AT A PRO RATA, RATE; SOME ON THE GROSS, OTHERS ON THE NET REVENUE. THEY AVERAGE SEVEN PER CENT AT THE LOWER AND 14 PERCENT AT THE HIGHER END OF THE SCALE. NO TAXES AT ALL, EITHER MUNICIPAL OR STATE, ARE LEVIED IN THE CANTON OF AARGAU.

7. ADMISSION PRICES IN MAJOR SWISS CITIES RANGE BETWEEN SF 4 AND SF 11. HIGHER PRICES ARE OCCASIONALLY CHARGED FOR PERFORMANCES OF SPECIAL FILMS OF EXTRA LENGTH.

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8. FILM DISTRIBUTORS COLLECT FROM EXHIBITORS AS A RULE BETWEEN 30 AND 50 PER CENT OF NET REVENUE AFTER TAX. FOR MEDIOCRE FILMS, THE DISTRIBUTOR'S SHARE MAY BE AS LOW AS 15 TO 20 PER CENT, IN ORDER TO COMPENSATE THE EXHIBITOR FOR THE LESSER BOX-OFFICE APPEAL, AND CONSEQUENTLY LOWER RECEIPTS, INVOLVED. CONVERSELY, FOR VERY COSTLY, AND, GENERALLY, MORE SUCCESSFUL FILMS, THE DISTRIBUTOR MAY DEMAND AS MUCH AS 60 PER CENT. THE SAME APPLIES FOR DOMESTICALLY PRODUCED FILMS. NO AMOUNTS IN ABSOLUTE FIGURES ARE AVAILABLE.

9. IMPORT AND DISTRIBUTION ARE THE PRINCIPAL FILM MATTERS REGULATED BY LAW. DISTRIBUTORS, INCLUDING THE SUBSIDIARIES OF U.S. FILM COMPANIES, ARE ALLOTTED A QUOTA UNDER WHICH THEY ARE FREE TO IMPORT WHATEVER FILMS THEY LIKE FROM WHATEVER SOURCE THEY PREFER. U.S. DISTRIBUTORS HERE ARE NO MORE AND NO LESS RESTRICTED THAN THEIR SWISS COUNTERPARTS. WIDESPREAD SAMPLING OF OPINION AMONG DISTRIBUTORS REVEALED THAT QUOTAS ARE LIBERAL ENOUGH AND ARE OFTEN NOT EVEN FULLY UTILIZED. IT SHOULD BE REMEMBERED THAT THE QUOTA SYSTEM WAS ORIGINALLY INTRODUCED AT THE REQUEST OF THE AMERICAN DISTRIBUTORS IN SWITZERLAND BEFORE THE SECOND WORLD WAR AS A BARRIER AGAINST THE FLOOD OF NAZI OF FASCIST PROPAGANDA FILMS. TODAY THE SYSTEM CHIEFLY SERVES TO CONTROL EXCESSIVE PENETRATION AND DOMINANCE BY ANY ONE COUNTRY. ARTICLE 12 OF THE SWISS FILM LAW CHARGES THE COMPETENT AUTHORITIES WITH THE TASK OF ENSURING THAT NO MONOPOLIES DEVELOP AND THAT DISTRIBUTORS RETAIN THEIR INDEPENDENCE. IN VIEW OF THE FACT THAT U.S. SUPPLIERS HAVE HAD A MARKET SHARE OF AT LEAST 30 PER CENT FOR YEARS, IT WOULD BE DIFFICULT TO CLAIM THAT THEY ARE THE SUBJECT OF DISCRIMINATION. PROBLEMS MAY ARISE WHEN TWO OR MORE FILM COMPANIES MERGE THEIR DISTRIBUTION CHANNELS IN SWITZERLAND, SINCE ARTICLE 14 OF THE LAW DOES NOT

PERMIT TRANSFER OF QUOTAS. HOWEVER, ARTICLE 12 OF THE SAME LAW ALSO STIPULATES THAT IF CONDITIONS JUSTIFY IT QUOTAS MAY BE INCREASED. MOREOVER, COST-~~SAVING~~ COLLABORATION BETWEEN DISTRIBUTORS IN THE FORM OF JOINT WAREHOUSING FACILITIES AND DISPATCH SERVICES HAS ALWAYS BEEN PERMITTED AND DOES NOT CONFLICT WITH THE LAW.

10. SWITZERLAND CURRENTLY HAS THREE TELEVISION BROADCASTING STATIONS AND A TOTAL OF 1,688,268 RECEIVERS.

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